

For: Karen V. Gregory, Secretary
Federal Maritime Commission
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Subject: Docket No. 13-05, Comments on Ocean Transportation Intermediary Regulation Revisions

Ladies and Gentlemen:

I am owner and the QI of Sefco Export Management Company, Inc. as well as owner of Quinn Corporate Services, Inc.

My businesses are small. Sefco acts as an OTI and has a license as such.

I shall offer a few comments and limited observations relating to this Notice of Proposed Rule Making, which is rather detailed and somewhat complex in its 88 pages.

There are many items noted on the NOPR that are clearly based on common sense, such as p.56 (e) on rules against the making of fraudulent claims, preparation of false information and the like.

There are other items that attract my attention as perhaps not completely addressing market realities.

It would honestly take me a long time to provide a lengthy analysis of all items included in this NOPR, and I will not present such analysis at this time; I recognize that the time period for public comment is indeed restricted. Nonetheless, I hope that the coming year will be a time in which a much broader dialogue can be initiated, and continued from past years, concerning OSRA and the Shipping Act. This is a discussion I want to be part of. There are changes to OSRA and the Shipping Act that I think would make for a better America and for a better environment for those of us who are engaged in the business of facilitating US exports and providing OTI services. This response will not address my thoughts on this much broader topic, at this time. I do look to be more actively engaged in policy discussions and formulation in the future, and items for consideration relating to US Exports and Maritime Policy will be posted on my web site at www.quinncorp.us.com. I would encourage all businesses and persons engaged in the field of export facilitation and OTI activities to visit my site in the coming year, to reach out to me, to contribute their thoughts and experiences, over the coming years.

There are many positive aspects to the NOPR that seem to address the stated intentions of the NOPR, improving transparency, reduce regulatory burdens, and the like.

One item that may not quite match market realities is the bonding level, which is held at USD 50,000.00 for OTI's. Without getting into this too deeply here, I will observe that many companies can easily exceed the level of \$50k at any given time, many times over, so if there was a company that walked away from its fiscal responsibilities, at a time that there might be many shipments en-route, with outstanding freight fees well in excess of \$50k; that could leave many shippers out of luck were claims to be made over that level. A single large shipment could exceed \$50k in freight charges. A shipper might be smart to ask their OTI to provide an additional performance bond, on a spot basis, for any shipment costing them over \$50k. Currently there is no rule requiring that, but it might be a smart thing to do, on a voluntary basis. This sort of spot performance bond cover is available in today's insurance marketplace. But the FMC, as an entity in communication with a broad segment of the US population – through its web site and other means, could provide the public with a list of performance bond insurance providers who could give such coverage, and it could be something that the FMC recommends, though not necessarily mandate. Of course, most shippers who spend that kind of money, should get to know and trust the OTI to start with.

The three year renewal item, seems to be something that will happen in any event, but it does add a level of uncertainty. Regarding the method for the BCL to notify OTI's of their renewal dates, p.17, both email and a copy via regular mail, should suffice.

Almost all the items noted as dropped from further consideration, seem positive.

I have been concerned about the degree of delegated authority given to hearing officers and the extent of my right to appeal decisions, but that is not something I will address at this time; but it is something that should be addressed as it has given me a feeling of uncertainty and perhaps unfairness (just looking at my own personal experience in recent years); that is just something I have had to live with. Improvements can be made, and I hope to offer constructive suggestions on this topic in the coming months.

To keep this brief, the last item I will address at this time, is the level of coordination shown in handling business with the PRC. Just due to my own preferences, at Sefco we do no significant export/import business related to the PRC; we focus elsewhere. And obviously the PRC is the US' major trading partner, larger than Japan, Germany, etc. But I do not see such insurance riders, etc., for our other trading partners such as Japan, but clearly the PRC factors in a much larger way to the FMC's activities with relation to this NOPR.

I took notice of the Regulatory Summit at the FMC last year including maritime regulators the PRC as well as regulators from the EU. I was a bit taken aback by that. There are serious maritime disputes involving the PRC and its neighbors, Japan, the Philippines, Vietnam, etc. in which the US tries to play a constructive role, and honestly I saw the invitation as being a bit weighted in favor of good relations with the PRC, but excluded other major trading nations like Japan. I would like to see these other US allied nations such as Japan to be more included in such international summits with the US.

I must tell you, beyond regular business that I conduct, on a personal side, I am a conservative person and care a lot about Human Rights, which is why I do very little business with PRC entities. Perhaps I am the last man on the block when it concerns trade with the PRC, but I am very cautious and back in the days when the Soviet Union still was a major power, and when the Berlin Wall still stood, back then, I did little to no business with such countries. When I see our regulators, meeting with the PRC regulators, I am sure there are many good reasons to do so, but frankly, it gives me pause. I would like to see greater strategic cooperation with countries like Japan, where the Governments take a reasonably regulated yet free market approach to business. I do not think so much more cooperation and coordination should be given to the PRC, compared to Japan, but I recognize that my opinion and voice on this subject is probably very much in the minority.

That is the extent of my current remarks.

I thank you for your consideration, and hope we can engage in a broader dialogue in the coming months and beyond.

Respectfully submitted,

Joseph Quinn
President

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